IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE SIDE JURISDICTION

WRIT PETITION NO.556 OF 2005

M/s. Parasrampuria Industries Ltd. ...Petitioner

Vs.

Union of India and Ors. ...Respondents

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Mr.P.K.Rele with M/s.Bhavesh Parmar and Vijay Jagtap for Petitioner
Mr.R.K.Sharma for Respondent no.2
Mr.M.H.Solkar for Respondent no.3.

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CORAM : B.H.MARLAPALLE,J.
DATE : MAY 2,2005

P.C.:

1. Heard Mr.Rele, the learned senior counsel with Mr.Jagtap for the Petitioner-company and Mr.Sharma, the learned counsel for the Respondent No.2.

2. Being aggrieved by the so called notice before issue of arrest warrant dated 4.6.2004, this petition was moved and more particularly under the fear that the authorised officer or any of the Directors of the Petitioner-company may face arrest on account of failure to remit the provident fund dues stated in the notice of Rs.54,52,454/-.

3. It appears that after receiving the subject show cause notice, an amount of Rs.7,50,000/- has been

paid and the balance of the amount is about Rs.47,00,000/-. The Petitioner-company agrees to pay Rs.2 lakhs within one week and for the remaining amount of Rs.45 lakhs, it prays for monthly instalments.

4. Mr.Sharma, the learned counsel appearing for the Respondent No.2 on obtaining instructions states that the proposal for equal monthly instalments could be accepted provided there is a Bank Guarantee for the entire amount of Rs.45 lakhs so that in case of any default in the monthly payment, the Respondent No.2 has option to encash the Bank Guarantee. Mr.Rele has cited a similar concession having been granted to M/s. Santogen Spinning Mills which was also given the facilities of monthly instalments of Rs.1,25,000/- for the recovery of Rs.39,83,281/- in 34 equal instalments.

5. Under the circumstances, the petition is disposed of by consent on the following terms:

i) An amount of Rs.2 lakhs will be remitted by the Petitioner to Respondent No.2 within a period of ten days from today.

ii) A revolving Bank Guarantee of Union Bank

of India (a nationalised bank) shall be furnished to pay an amount of Rs.1,50,000/- per month for a period of 30 months to the Respondent No.2 in case the Petitioner fails to pay such monthly instalments at any time during the period of 30 months. In short, the Bank Guarantee will be on the lines of the Bank Guarantee placed on record at page 26 and issued by the H.D.F.C.Bank Ltd. But the Bank Guarantee will be issued by Union Bank of India and not by H.D.F.C.Bank Ltd. The Bank Guarantee be furnished before the end of this month and the monthly instalments be remitted on or before the 10th day of each month.

iii) The Respondent No.2 shall not resort to any coercive measures during the period of this 30 months for the recovery of the amount of Rs.47 lakhs.

iv) The petition is disposed of.

v) Certified copy expedited.

[B.H.MARLAPALLE,J.]